

HOUSE BILL 1955
By McKee

AN ACT to amend Tennessee Code Annotated, Title 49, relative to education.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 49, Chapter 3, Part 3, is amended by adding the following language as a new, appropriately designated section:

§ 49-3-367.

(a) As used in this section, unless the context otherwise requires:

(1) "Adjusted state average teacher salary" means the state average teacher salary multiplied by the ratio of the LEA mean hourly wage to the state mean hourly wage;

(2) "LEA average teacher salary" means the sum of the LEA's state and local shares of teachers' salaries and local supplements less funds for career ladder supplements and extended contracts divided by the number of teachers in the LEA;

(3) "LEA mean hourly wage" means the mean hourly wage as determined by the department of labor and workforce development for business

and financial operations occupations, SOC Code 13-0000, for the metropolitan statistical area or balance of state statistical area in which the LEA is located;

(4) "Local supplement" means local funds used in supplementing teacher salaries that are in addition to the local contribution of the LEA required under the BEP;

(5) "State average teacher salary" means the sum of the state and local shares of teacher salaries and local supplements less the funds for career ladder supplements and extended contracts divided by the number of teachers in the state; and

(6) "State mean hourly wage" means the statewide mean hourly wage as determined by the department of labor and workforce development for business and financial operations occupations, SOC Code 13-0000.

(b) For the 2003-2004 fiscal year, if the adjusted state average teacher salary for an LEA exceeds the LEA's average teacher salary, in an LEA whose fiscal capacity under the BEP formula is ninety percent (90%) or more of the ability of the local jurisdiction to raise local revenue, then the state shall pay from direct appropriations an amount equal to the product of the number of teachers allotted to the LEA under the BEP formula and the difference between the adjusted state average teacher salary and the LEA's average teacher salary or the amount as calculated under § 49-3-366, whichever is greater.

(c) Beginning with the 2004-2005 fiscal year and for fiscal years thereafter, the funds allotted for teachers' salary equity under this section shall be calculated as in subsection (b) for each LEA whose fiscal capacity under the BEP formula is ninety percent (90%) or more of the ability of the local jurisdiction to raise local revenue, except that teachers' salary equity funds paid under this section or § 49-3-366 in the prior fiscal

year shall be excluded in determining the state average teacher salary and an LEA's average teacher salary.

(d) No LEA receiving teachers' salary equity funds under this section or § 49-3-366 shall reduce its local supplement below the level of funding of the local supplement for the previous fiscal year.

(e) If an LEA in a local jurisdiction whose fiscal capacity under the BEP formula is less than ninety percent (90%) of its ability to raise local revenue receives teachers' salary equity funds under § 49-3-366, then such LEA shall continue to receive such funds for five (5) years or until the local jurisdiction achieves a fiscal capacity of ninety percent (90%) or more, whichever occurs first.

(1) If after five (5) years, the local jurisdiction has failed to raise its fiscal capacity to ninety percent (90%) or more, then the LEA shall be ineligible for teachers' salary equity funds under this section or § 49-3-366, until such time as the jurisdiction raises its fiscal capacity to ninety percent (90%) or more.

(2) If the local jurisdiction achieves a fiscal capacity of ninety percent (90%) or more in less than five (5) years, then the LEA's teachers' salary equity funding shall be calculated under subsection (c).

(f) An LEA that does not receive teachers' salary equity funding under § 49-3-366 and that is in a local jurisdiction whose fiscal capacity is less than ninety percent (90%) is ineligible to receive teachers' salary equity funding under either § 49-3-366 or this section, until the local jurisdiction raises its fiscal capacity to ninety percent (90%) or more.

(g) If the fiscal capacity of a local jurisdiction, which was at ninety percent (90%) or more, falls below ninety percent (90%), then an LEA in such jurisdiction shall continue to be eligible to receive teachers' salary equity funding under § 49-3-366 or this section for three

(3) years. If after three (3) years the local jurisdiction has failed to raise its fiscal capacity to ninety percent (90%) or more, then the LEA shall be ineligible for teachers' salary equity funds under this section of § 49-3-366 until such time as the local jurisdiction raises its fiscal capacity to ninety percent (90%) or more.

(h) Teachers' salary equity funding shall be calculated under this section or under the provisions of § 49-3-366 until the fiscal year in which the state average salary including teachers' salary equity funds equals or exceeds ninety percent (90%) of the Southern Regional Education Board state average teacher salary. At such time, each LEA's teachers' salary equity funding for subsequent fiscal years shall be fixed at the amount for the fiscal year in which the state average salary including teachers' salary equity funds equals or exceeds ninety percent (90%) of the Southern Regional Education Board state average teacher salary.

(i) If state funds appropriated for teachers' salary equity under this section are insufficient to meet the LEA's entitlements under subsections (b) or (c), the commissioner shall apply a pro rata reduction to the amount for which each system is eligible.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it, and shall be repealed effective June 30, 2008.